REMARKS:

In the Office Action the Examiner noted that claims 14, 17, 20, 23, 26 and 27 are pending in the application, and the Examiner rejected all claims.

By this Amendment, pertinent claims have been amended. No new matter has been presented. Claims 1-13, 15, 16, 18, 19, 21, 22, 24 and 25 remain cancelled.

Thus, claims 14, 17, 20, 23, 26 and 27 are pending in the application. The Examiner's rejections are traversed below, and reconsideration of all rejected claims is respectfully requested.

CLAIM REJECTIONS UNDER 35 USC §103:

In the Office Action the Examiner rejected claims 14, 17, 20, 23, 26 and 27 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,684,195 (<u>Deaton</u>) in view of Official Notice.

The Examiner appears to equate the reduction of value of an incentive in <u>Deaton</u> over a preselected time interval with the claimed invention of decreasing points based on "time spent providing the electronic information service." Applicants respectfully disagree with this assertion as the "reduction of value of the incentive" for non-use of the incentive in <u>Deaton</u> is merely directed to reduction of incentive over a preselected time interval (reduce incentive if non-use by the user). When considering this feature of <u>Deaton</u> in its entirety, <u>Deaton</u> teaches away from the claimed invention of decreasing points in correspondence with "time spent providing the electronic information service."

<u>Deaton</u> explicitly states:

"Once the system monitors a customer's subsequent activity, subsequent to the incentive, then the system can record the response. The system may then have a preset criteria of response and if that customer meets the preset response criteria, the system may either maintain that incentive over a preselected time interval or may initially or subsequently reduce that incentive over a preselected time interval. If the response criteria is favorably met, and the retail store is happy with the performance by the customer, then the store can either maintain or reduce or maintain and subsequently reduce the value of the incentive. On the other hand, if the customer fails to meet the response criteria, as is often the case, the incentive may be increased or changed" (emphasis added)

".... If the customer meets that response criteria, the store can either maintain that incentive over a preselected time or the store can reduce that incentive over a preselected time either immediately or subsequently. Alternatively, the store can

maintain the incentive a while and then choose to increase it or the store can increase the incentive if the customer has not favorably met a response criteria..."

As can be seen from above, the <u>Deaton</u> system does not teach or suggest decreasing points in proportion to "the time period lapsed during the time spent providing the electronic information service." Instead, <u>Deaton</u> reduces the incentive based on non-use period.

Independent claim 14, by way of example, recites features that "convert predetermined points into a time period necessary to provide the electronic information service when redeeming the customer's cumulative issued points, and decrease the customer's cumulative issued points in correspondence with a time spent providing the electronic information service in response to the customer's request by redeeming the customer's cumulative issued points." For at least the reasons set forth herein, <u>Deaton</u> and the Official Notice do not teach or suggest at least these features.

The Examiner maintains the assertion of Official Notice. Previously presented arguments regarding the inappropriate use of Official Notice is incorporated herein. More specifically, supporting evidence related to the claimed invention has not been provided to support the Official Notice rejection that generally alleges that providing services electronically is well known.

Even assuming that the Official Notice teaches the features as asserted by the Examiner, Applicants respectfully submit that one of ordinary of skill in the art would not have been motivated to use the teachings of <u>Deaton</u> directed to use of a point of sales (POS) terminal who accounts for customers who purchased goods at a shopping store with providing service electronically outside of the store.

According to MPEP 2143.01, the modification proposed in the Office Action cannot render the prior art unsatisfactory for its intended purpose. *In re Gordon*, 221 USPQ 1125 (Fed. Cir. 1984). Assuming, *arguendo*, that the teachings of <u>Deaton</u> and Official Notice could be combined, it is not possible for the <u>Deaton</u> system to reduce incentives for non-use *and* electronically provide the services using the incentives.

It is respectfully submitted that the independent claims are patentably distinguishable over <u>Deaton</u> and the Official Notice.

For at least the above-mentioned reasons, claims depending from the independent claims are patentably distinguishable over the cited references. The dependent claims are also independent patentable. For example, neither <u>Deaton</u> nor the Official Notice, teach or suggest

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"points are deducted from the customer's cumulative points in correspondence to an amount of time lapsed during the time period the electronic information service is provided to the customer terminal", as recited in claim 27.

Therefore, withdrawal of the rejection is respectfully requested.

CONCLUSION:

There being no further outstanding objections or rejections, it is submitted that the application is in condition for allowance. An early action to that effect is courteously solicited.

If there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

If there are any additional fees associated with filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

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